



NEWS RELEASE

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SBA Loans to NJ Minority Firms Increase by 19% in 2006; Loans to Hispanic-Owned Businesses Increase by 39%

NEWARK, NJ---Minority small business owners throughout New Jersey received a record number of loans from the U.S. Small Business Administration in 2006, it was reported today.

According to SBA New Jersey District Director James A. Kocsi, state minority small business owners received 1,686 loans for \$251 million during the agency's fiscal year 2006, the period from October 1, 2005 through September 30, 2006. The number of loan approvals to minorities represented a 19 percent increase over fiscal year 2005's 1,421 loans for \$273 million.

Of the 1,686 loan approvals to minority-owned small businesses, Hispanic-American small business owners had the highest rate of growth, a 39 percent increase, with 421 loans for \$48.3 million. In comparison, Hispanic-American owned firms received 303 loans for \$41.6 million during fiscal year 2005. African-American small business owners also fared well by receiving 240 loans for \$26.3 million, a 28 percent increase over fiscal year 2005 totals of 188 loans for \$26 million. Small firms owned by Asian-Americans received 987 loans for \$173.1 million, an 11 percent increase over fiscal year 2005 totals of 894 loans for \$198.3 million.

"SBA minority loan approvals accounted for 48 percent of all SBA loan approvals in New Jersey, as well as 44 percent of all dollars approved this year," said Kocsi. "New Jersey is fertile ground for minority entrepreneurship and I am pleased that our outreach efforts to this fast growing segment of the small business community delivered these strong results."

Overall, New Jersey small business owners received 3,522 SBA loans for \$606 million during fiscal year 2006. In comparison, New Jersey small business owners received 3,687 loans for \$707 million during fiscal year 2005. Nationally, the New Jersey District Office ranked 6th in loan approvals among SBA's 68 district offices.

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According to Kocsi, women business owners received 841 loans for \$131.5 million compared to 886 loans for \$113 million during fiscal year 2005. “The SBA’s New Jersey office has been fortunate to achieve record levels in small businesses lending over the past two years,” said Kocsi. “But this year’s recent bank mergers, rising interest rates and a state economy that has lagged behind the national economy, impeded our efforts on total loan volume and to a lesser degree our results in financing women-owned small businesses.”

“I believe that the most recent New Jersey economic indicators are now pointing in a positive direction,” said Kocsi. “It is my hope that this will lead to another upward trend in small business lending for 2007.”

In addition to the jump in loans to minorities, the SBA saw an increase in the number of loans which provides long term fixed rate financing for the acquisition of business real estate or equipment, under the agency’s Certified Development Loan Program. According to Kocsi, this program saw a 25 percent increase in the number of loan approvals. During fiscal year 2006, 80 loans were approved for a total of \$59.2 million, compared to 64 loans for \$44.1 million during fiscal year 2005.

Bergen County small businesses led the way in 2006 by receiving 649 SBA loans for \$85.1 million; Essex County businesses followed with 285 loans for \$45.2 million; and Middlesex County businesses received 283 loans for \$45.2 million. Rounding out the top seven counties were Monmouth County businesses with 236 loans for \$49.1 million, Hudson County businesses received 236 loans for \$27.3 million; Camden businesses received 225 loans for \$42.3 million; and Passaic County businesses received 221 loans for \$31.3million.

Kocsi also noted that the average SBA loan in New Jersey was \$163,352 and that a sizeable amount of loans were well under that average. “We are pleased that more New Jersey lenders are utilizing the agency’s **SBAExpress** loan program, which offers a revolving line of credit feature,” said Kocsi. “This program also allows lenders to expedite the SBA loan process by utilizing their own forms and procedures. This year, 72 percent of our loans were approved under this program for an average amount of \$51,841.”

In addition to its lending activities, the SBA New Jersey District Office provided entrepreneurial development assistance to nearly 44,250 businesses and start-up companies through its statewide network of resource partners, which includes SCORE – Counselors to America’s Small Business, the New Jersey Small Business Development Centers (SBDCs) and the Women’s Business Center (WBC).

Over 16,000 entrepreneurs received no-cost management counseling from these resources and an additional 28,000 individuals attended affordable training programs on topics ranging from starting a business to identifying opportunities in the international marketplace. “We realize the importance of providing our customers with practical business training and counseling,” said Kocsi. “The services offered by SCORE, the SBDC, and the WBC are invaluable to our customers’ success and growth.”

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The SBA New Jersey District Office also provided New Jersey small disadvantaged companies with 200 federal government contracts valued at \$96 million under the agency's 8(a) Business Development Program.

SBA NEW JERSEY LOAN APPROVALS Fiscal Year 2006 Fiscal Year 2005

County	# of Loans	\$Amount	# of Loans	\$ Amount
ATLANTIC	99	\$19.2 million	102	\$ 24.1 million
BERGEN	649	\$85.1 million	589	\$ 92.1 million
BURLINGTON	184	\$33.2 million	177	\$ 31.2 million
CAMDEN	225	\$42.3 million	288	\$ 49.0 million
CAPE MAY	41	\$ 9.5 million	57	\$ 16.5 million
CUMBERLAND	39	\$ 9.4 million	52	\$ 11.3 million
ESSEX	285	\$45.2 million	294	\$ 51.3 million
GLOUCESTER	91	\$19.2 million	116	\$ 25.8 million
HUDSON	236	\$27.3million	207	\$ 40.8 million
HUNTERDON	58	\$11.6 million	87	\$ 17.9 million
MERCER	120	\$19.2 million	154	\$ 26.4 million
MIDDLESEX	283	\$45.2 million	260	\$ 50.5 million
MONMOUTH	236	\$49.1 million	272	\$ 67.1 million
MORRIS	193	\$29.6 million	223	\$ 43.6 million
OCEAN	152	\$32.5 million	153	\$ 34.4 million
PASSAIC	221	\$31.3 million	201	\$ 33.8 million
SALEM	12	\$ 8.0 million	12	\$ 3.8 million
SOMERSET	113	\$26.5 million	112	\$ 30.1 million
SUSSEX	46	\$12.7 million	53	\$ 14.8 million
UNION	192	\$43.3 million	204	\$ 31.6 million
WARREN	47	\$ 6.6 million	74	\$ 10.9 million
TOTALS	3522	\$606 million	3687	\$707 million

SBA's NEW JERSEY TOP LENDERS IN 2006

(SBA's Top Lenders List is Based on the Number of SBA Loan Approvals)

Lender	#of Loans	\$ Amount	Location
1) Bank of America	763	\$ 27.3 Million	Charlotte, NC
2) PNC Bank	520	\$ 66.9 Million	East Brunswick, NJ
3) Commerce Bank	272	\$108.4 Million	Cherry Hill, NJ
4) Broadway National Bank	176	\$ 45.1 Million	Fort Lee, NJ
5) Citizens Bank of Rhode Island	154	\$ 9.7 Million	Cranston, RI
6) JPMorgan Chase Bank	140	\$ 5.8 Million	New York, NY
7) Capital One Bank	109	\$ 4.6 Million	Glen Allen, VA
8) Sun National Bank	103	\$ 28.4 Million	Vineland, NJ
9) Valley National Bank	98	\$ 20.6 Million	Wayne, NJ
10) HSBC Bank USA	89	\$ 4.5Million	Buffalo, NY

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